



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

# Press Release

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## FOR IMMEDIATE RELEASE

**August 12, 2008**

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### **Attorney General McGraw Sues Countrywide for Inducing Consumers to Take Out Loans They Couldn't Afford**

Attorney General Darrell McGraw filed suit today against Countrywide Financial Corporation, Countrywide Home Loans, Inc., Countrywide Home Loans Servicing, LP, Full Spectrum Lending, Inc. and Angelo R. Mozilo, individually and as CEO of Countrywide Financial Corporation.

Countrywide made loans to West Virginia consumers on terms that were unaffordable and unconscionable. These loans exposed consumers to foreclosure and loss of their homes. Countrywide also used unfair and deceptive acts or practices to make loans and service loans.

For example, Countrywide induced consumers to take out adjustable rate mortgages that offered a teaser rate for the first 2-5 years, but then reset at a much higher, unaffordable rate.

In other cases, Countrywide made loans that required no down payment, but, after 15 years of payments, the consumer owed a balloon payment of almost the original amount borrowed. In one case, the consumers could not refinance because the initial appraisal was inflated.

"Foreclosures in a neighborhood affect the value of all homes in that neighborhood," said Attorney General McGraw.

"Therefore, while the consumers facing foreclosure are directly affected by Countrywide's practices, all homeowners are indirectly affected."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the consumer web page at [www.wvago.gov](http://www.wvago.gov).

For a completed copy of the Countrywide Complaint, [please click here](#).

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